

TELFORD & WREKIN COUNCIL

STRONG LEADER REPORT: 17 NOVEMBER 2017

REPORT TO CABINET: 7 DECEMBER 2017

EXERCISE OF VOTING POWER FOR WREKIN HOUSING TRUST EGM ON 29 NOVEMBER 2017

REPORT OF THE ASSISTANT DIRECTOR: GOVERNANCE, PROCUREMENT AND COMMISSIONING

FOR: THE LEADER

1. Summary

- 1.1. For the Leader to consider whether or not to exercise his strong leader powers to approve changes in the governance structure of the Wrekin Housing Trust, ("the Trust").

2. Recommendations

- 2.1. That the Leader of the Council agrees that the Council uses its voting powers to support the Special Resolution contained in Appendix 2 to this report at a Special General Meeting on the 29th November 2017 including the rescission of the company's existing Articles of Association and its conversion to a charitable community benefit society and associated adoption of the National Housing Federation model rules, as attached, also at Appendix 2: and
- 2.2. That this decision is reported to the next Cabinet meeting on 7 December 2017 for information

3. Background

- 3.1. The Council are represented on the Board of the Wrekin Housing Trust and this provides an important link to this important local organisation that provides tangible support to local communities over and above its role as the largest landlord in Telford & Wrekin.
- 3.2. As reported in the national press last week the Government has introduced regulations, see Legal Comment below, to reduce public sector involvement in large housing providers including Housing Associations. At the end of September the Group Chief Executive of The Wrekin Housing Group wrote to the Assistant Director, Governance, Procurement & Commissioning to ask the Council to consider changes to the governance structure of The Wrekin Housing Trust as it prepared for this change in the law. A copy of that letter, explaining the reason for the proposal in detail is attached at Appendix 1. More formal details of the proposals as provided to the Board at its meeting on the 29 November 2017 are included in the Appendix 2.
- 3.3. The Trust are keen to make changes before the legislation comes into effect to make sure that they have appropriate governance structures in place as soon as possible to give stability and to enable them to deliver their business plans more effectively.
- 3.4. The Trust appreciate the value that Council representation on the Board brings and are keen to retain and protect this on the Board of the proposed new Community Benefit Society.

3.5. The Council and the Board want to take this opportunity to improve further the good working relationship with the Council and plan how the two organisations can work even more closely in the future – including briefing local Councillors on their future investment plans across the Borough, how they can link even more closely with the local community through more direct communication with local Councillors, the use of Trust’s existing community fund, links to Councillor’s ward Pride Funding and sponsorship of key local events.

4. Financial Comment

4.1. There are no financial implications on the Council.

5. Legal Comment

5.1. The Regulation of Social Housing (Influence of Local Authorities) (England) Regulations 2017 came into force on the 16 November 2017 and its provisions will come into effect on 16 May 2018.

5.2. Relevant provisions, as they apply to the Council and the Housing Trust restrict local authority voting rights as a member of the registered provider and take away the so-called “golden share” that the authority has – ie the ability to block changes to the Constitution of the Trust.

5.3. The Council could refuse to agree to the proposed changes at this stage and retain the status quo however this would only be an effective strategy in the short term. Post 16 May 2018 the Trust could achieve these aims without Council agreement.

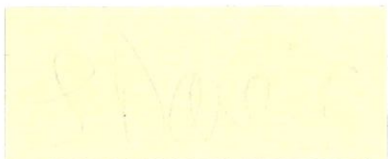
5.4. Note, this provision does not affect the voting rights of local authority nominees/appointees who are individual members/shareholders.

6. Impact Assessment

6.1. There is no impact upon individuals or individual wards but closer working between the Council and the Trust will only serve to improve the strength of local communities

Report prepared by Jonathan Eatough, Assistant Director, Governance, Procurement and Commissioning.

I agree to the recommendations as detailed in this report.



Shaun Davies
Leader
Telford & Wrekin Council

Dated: